



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

January 5, 2006

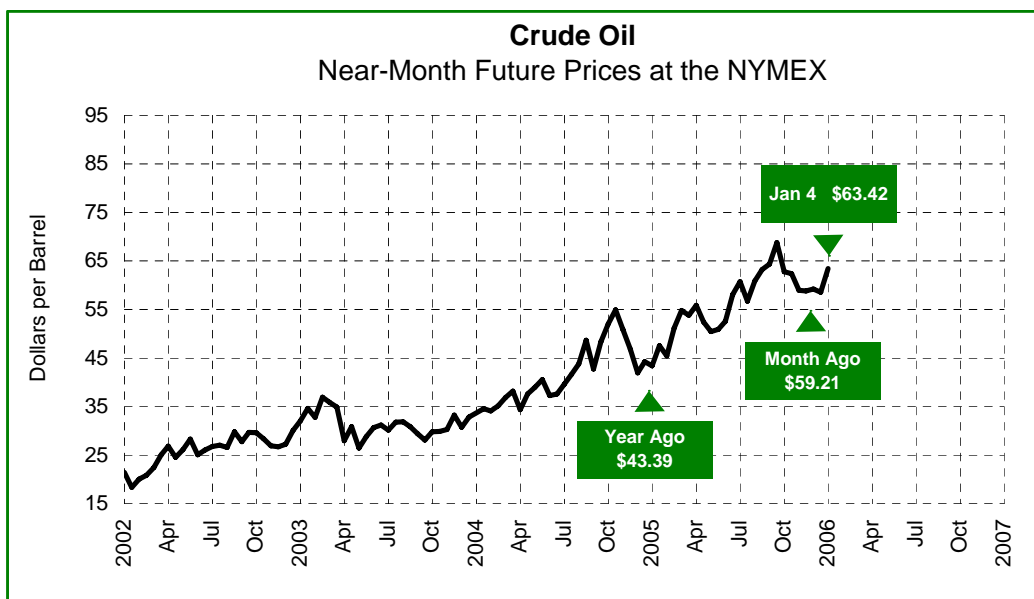
Crude Oil

On Jan. 4, NYMEX crude oil futures closed at \$63.42 per barrel, an increase of more than \$5 per barrel since December 27, 2005.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>01-04-06</u>	<u>12-07-05</u>	<u>change</u>	<u>01-05-05</u>	<u>change</u>
NYMEX	\$63.42	\$59.21	up 7%	\$43.39	up 46%

- Crude oil futures for February delivery on the NYMEX increased \$0.28 on Jan. 4 to settle at \$63.42 per barrel, an increase of more than \$5 per barrel over the last five days of trade in response to large speculative investments in crude oil futures. The surge in investments followed comments by members of OPEC calling for a production cut of 3 percent or 1 million barrels per day beginning April 2006, just prior to the beginning of the summer driving season.



- According to the Energy Information Administration (EIA), U.S. crude supplies fell 1.0 million barrels to 321.6 million barrels, and now stand 29.8 million barrels above last year's level at this time of year. According to the U.S. Minerals Management Service (MMS), as of Thursday, January 5, approximately 0.4 million barrels or 26.9% of daily production of the Gulf's 1.5 million barrels per day of crude production continues to be shut down.

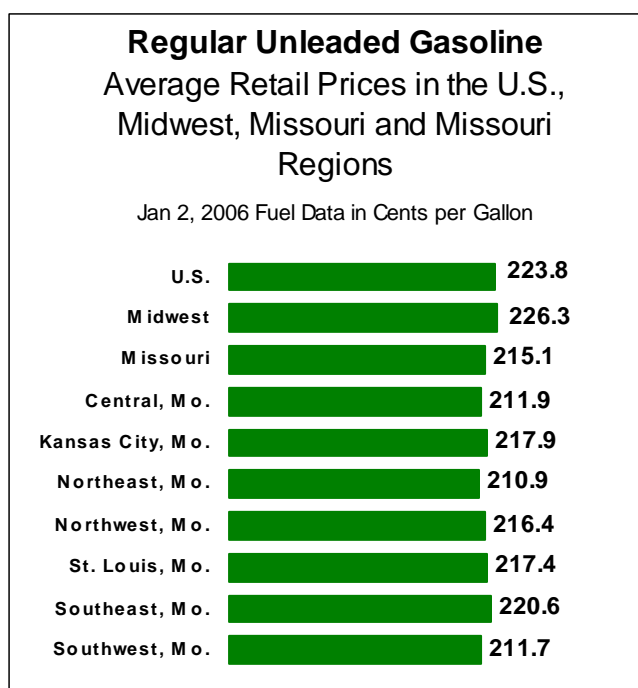
- For the week ending Dec. 30, U.S. crude oil production remained flat at 4.8 million barrels per day. Current production is below the 5.4 million barrels per day reported at this time last year. Crude oil imports decreased 131,000 barrels per day to 10.06 million barrels per day. Crude oil imports were estimated at 9.8 million barrels per day at this time last year.
- Refinery runs improved by 1.0 percent to 89.9% of capacity as refineries continue to address short-term maintenance issues in the Midwest, Northeast and Gulf regions. Refinery utilization was estimated at 15.2 million barrels of crude oil per day compared to 15.8 at this time last year.

Transportation Fuels

On Jan. 2, Missouri's average retail price for regular unleaded gasoline and diesel fuel was \$2.15 and \$2.35 per gallon, respectively. The increase in price is due to growing concerns about tight gasoline supplies this summer and continued strong demand for motor fuels.

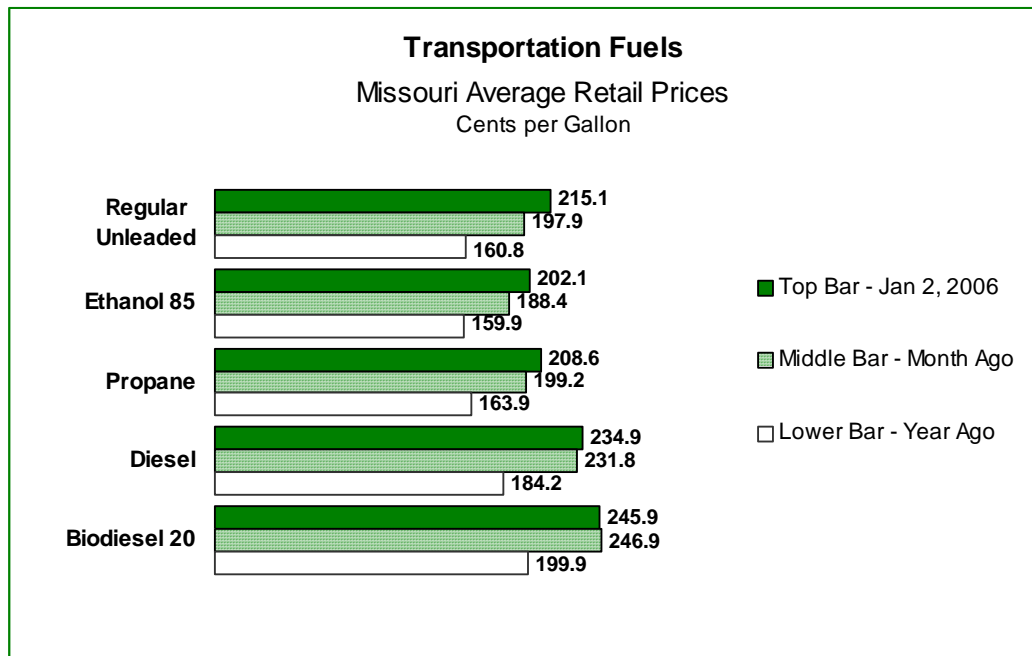
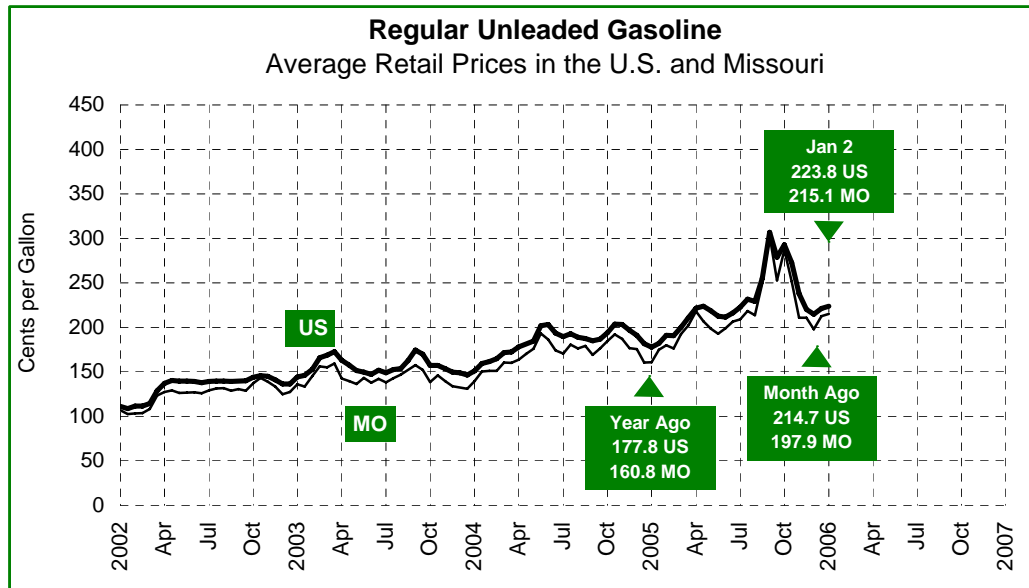
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>01-02-06</u>	<u>12-05-05</u>	<u>change</u>	<u>01-03-05</u>	<u>change</u>
US	223.8	214.7	up 4%	177.8	up 26%
Missouri	215.1	197.9	up 9%	160.8	up 34%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>01-02-06</u>	<u>12-05-05</u>	<u>change</u>	<u>01-03-05</u>	<u>change</u>
Missouri	234.9	231.8	up 1%	184.2	up 28%



- On January 2, Missouri's statewide average gasoline and diesel retail prices were up 9 and 1 percent, respectively, from last month. Missouri's average retail price for diesel increased 3 cents from last month but is 6 cents lower than the Midwest Region average.
- Distillate stocks, which include heating oil and diesel fuel, increased 2.1 million barrels to 128.9

million barrels. Distillate supplies are now 7.8 million barrels higher than at this time last year.



- For the week ending Dec. 30, U.S. gasoline stocks increased 1.4 million barrels to 204.3 million barrels. Demand continued to grow in December to 9.36 million barrels per day as of Dec. 30 compared to 9.29 million at this time last year. Gasoline imports fell slightly to 921,000 barrels per day. Gasoline supplies are down 10 million barrels from a year ago.

Coal

- According to the EIA as of December 16, Wyoming Powder River Basin (PRB) coal spot prices increased by \$2 per ton or 14 percent over the previous week moving from \$14.48 to \$16.48 and was described by EIA as “high volatility” for coal prices. With that increase, PRB coal spot prices are back near the record highs paid during the week ended October 21, 2005, when prompt-quarter spot prices averaged \$16.89 per short ton. According to the EIA as of December 30, several coal orders

were not delivered during the last quarter of 2005 due to the lack of available rail transportation from Wyoming.

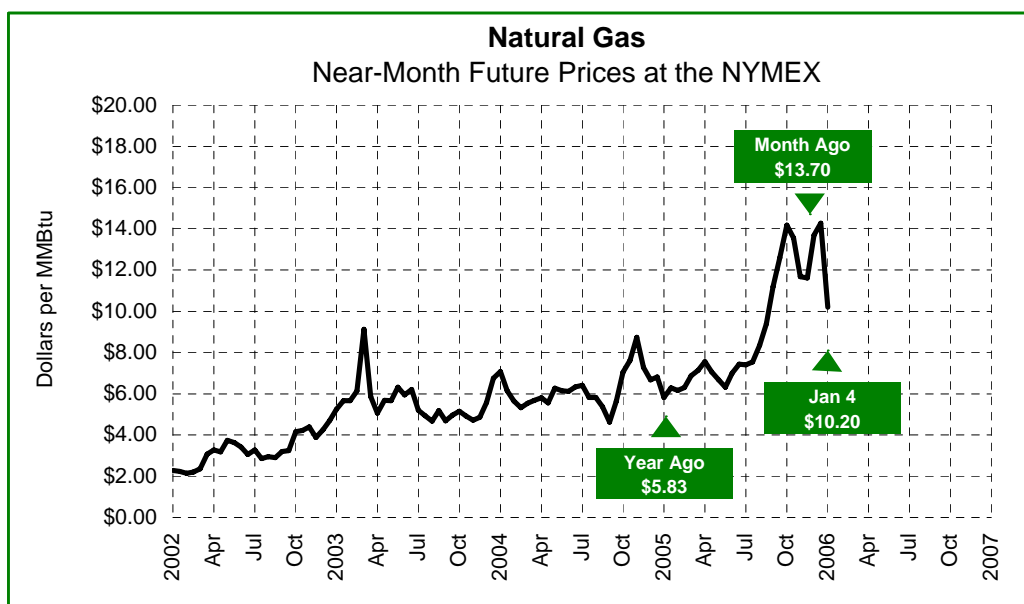
Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Jan. 4, natural gas futures closed at \$10.20 per MMBtu, a decline of \$3.50 since last month due to unseasonably mild weather.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
NYMEX	01-04-06	12-07-05	change	01-05-05	change
	\$10.20	\$13.70	down 26%	\$5.83	up 75%

- On Jan. 4, the price of the NYMEX futures contract for February delivery settled at \$10.20 per MMBtu. Unseasonably warm temperatures throughout the U.S. contributed to widespread price declines in natural gas spot markets since December 21. Despite the decline, the price remains 75 percent higher than this time last year.
- Working gas in storage increased to 2,641 Bcf as of Friday, December 30, 2005, according to EIA's Weekly Natural Gas Storage Report. The implied net injection of 1 Bcf leaves storage levels 168 Bcf, or 6.8 percent, above the 5-year average, but 79 Bcf, or 2.9 percent, below the storage level at this time last year. As of Jan. 5, the Minerals Management Service (MMS) estimated that 1.879 billion cubic feet per day (BCFPD) or 18.8% of the Gulf's 10 BCFPD of natural gas production remains shut down.



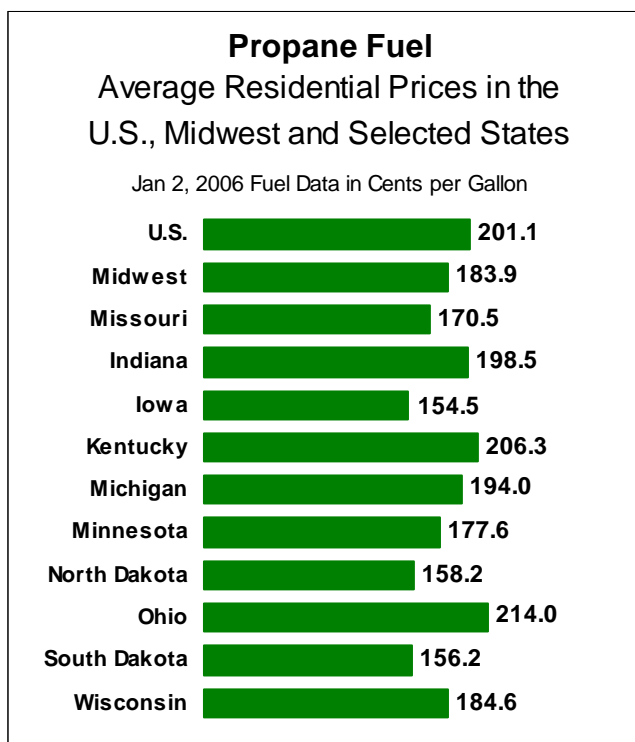
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.71 per gallon on Jan. 2, up 5.6 cents from a month ago and 16.7 cents or 11 percent higher than a year ago.

Propane - Residential Prices (cents per gallon)					
	<u>01-02-06</u>	<u>12-05-05</u>	<u>change</u>	<u>01-03-05</u>	<u>change</u>
Missouri	170.5	164.9	up 3%	153.8	up 11%

- As of Dec. 30, U.S. propane supplies fell 3.8 million barrels to an estimated 57.6 million barrels, the highest level for this period since 2001. The cumulative demand during December totaled nearly 14 million barrels, the highest for this month in five years and about 25 percent higher than the most recent 5-year average.
- In contrast, the overall demand on propane supplies during the first half of the 2005-06 heating season (October through December) measured about 11 percent below the most recent 5-year average, the result of the relatively mild weather experienced during October and November.
- Midwest inventories posted a decline of 0.49 million barrels, moving from 19.02 to 18.53 million barrels for the week ending December 30. Inventories stood at 18.58 million barrels at this time last year.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm